

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
Washington 25, D. C.

695510

January 13, 1949

BACKGROUND INFORMATION ON GENERATION LOAN
TO MINNESOTA POWER COOPERATIVE

Additional generation and transmittal facilities to meet the growing power needs of 30,000 farm families and other rural consumers in the Twin Cities area of Minnesota will be provided by a \$6,500,000 loan approved by the Rural Electrification Administration, the U. S. Department of Agriculture announced today.

The loan was made to the Rural Cooperative Power Association, of Maple Lake, Minnesota, a power cooperative organized to serve seven central Minnesota REA-financed distribution cooperatives.

The area served by the Power Cooperative has been in the tight grip of a severe power shortage for the past few years and the Rural Electric Power Association has played an important part in making possible expansion of rural electric systems in the area by providing the needed power to member co-ops. Commercial suppliers in the area have not been able to promise delivery of any additional power to the cooperatives for several years.

The new loan will provide power facilities to improve present service to the 20,700 rural families now being served by the cooperatives and in addition provide adequate power to make possible expansion of present systems to serve an additional 10,000 families within the next few years.

Power generated by the Power Cooperative will enable these seven distribution cooperatives to save \$62,000 annually in their wholesale power bills, measured by present rates of commercial suppliers, but REA emphasized that the borrower could secure no assurance that additional power can be made in the amounts required for full electrification in the area.

Specifically, the loan provides funds for the following purposes: installation of a second 11,500 KW steam power generating unit at the co-op's proposed plant near Elk River, Minnesota; construction of a 2,250 KW diesel generating unit at Milaca, Minnesota; moving an existing, 1,000 KW diesel unit from the Cambridge Springs, Minnesota plant to Pine City, Minnesota; construction of 383 miles of new transmission lines; 30 additional substations to provide new load centers to improve present service and to provide access to unelectrified farming areas; and for miscellaneous costs, including transportation equipment and tools.

Members now receiving power from the Rural Cooperative Power Association are: East Central Electric Association of Braham, Anoka County Cooperative Light and Power Association of Anoka, Kandiyohi Cooperative Electric Power Association of Wilmar, and Wright-Hennepin Cooperative Electric Association of Maple Lake. In addition the cooperative will be in a position after construction

authorized by this loan to serve part of the power requirements of Renville-Sibley Cooperative Association of Danube; Mille Lacs Region Cooperative Power and Light Association of Aitkin; and North Pine Electric Cooperative of Finlayson.

REA has previously approved loans totaling \$7,276,500 to this borrower for seven power plants with total generating capacity of 28,700 KW and 518 miles of transmission lines to deliver power to the load centers of the member distribution cooperatives. Power is now being generated at five plants located at Maple Lake, Cambridge, Hawick, Pine City and Milaca. A new plant is under construction at Pine City, and in addition two new units have just been installed at the Cambridge plant. Work will start soon on the new steam plant near Elk River. The first 11,500 KW unit, authorized by a prior loan, is expected to be in operation sometime in 1950, and the second, authorized by this loan, shortly thereafter. The existing plants at Pine City and Milaca, now in partial operation, will be closed down and generating units salvaged as soon as present facilities are completed. These two plants, acquired by purchase over a year ago, are being operated only because of the severe power shortage in the area.

The present system of the cooperative is made up principally of relatively light transmission lines and the additional lines are needed to allow the power cooperative to serve new load centers and to improve present service.

The new transmission lines will be built as follows: Hawick to Hawick Junction, 12 miles of 69 KV line; Hawick Junction to Maple Lake, 42 miles of 69 KV; Maple Lake to Lake Sarah Junction, 17 miles 69 KV; to Corcoran and Lake Sarah, 12 miles of 34.5 KV; Cold Springs Quarry to Ogilvie, 20 miles of 34.5 KV; Duelm to Long Siding, 17 miles of 34.5 KV; Pine City to Cambridge, 33 miles 69 KV; Cambridge to Circle Pine Junction, 33 miles of 69 KV; Olivia to Hawick Junction, 52 miles 69 KV; Albertville to Lake Sarah Junction, 2 miles of 34.5 KV; Milaca to Anoka, 50 miles of 69 KV; Cambridge to Long Siding (reinsulated) 28 miles of 69 KV; Milaca to Cold Springs Quarry, 43 miles of 34.5 KV; and Milaca to Brunswick, 22 miles of 34.5 KV.

One or more new power take-off points will be provided at Lake Sarah, Corcoran, Duelm, Soderville, Anoka, Circle Pines, Milaca, Cambridge, Maple Lake, Onamia, Isle, Cold Springs Quarry, Ogilvie, Howard Lake, Long Siding, Rock Creek, Pine City, Rush City, Lake Sylvia, Kandiyohi, Svea, Olivia, Hawick, Milaca and Zimmerman.